



Best Practice Principles and  
Policies for Financial  
Accountability

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V1.02

**Document History**

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## Table of Contents

<b>A</b>	<b>BEST PRACTICE PRINCIPLES FOR FINANCIAL ACCOUNTABILITY</b>	<b>5</b>
I	ESTABLISH CLEAR AND DECISIVE FINANCIAL GOVERNANCE	5
II	ADOPT ETHICS AND CONFLICT OF INTEREST POLICIES	6
III	DESIGN AND IMPLEMENT APPROPRIATE FINANCIAL CONTROLS	7
IV	CONDUCT REGULAR INDEPENDENT FINANCIAL AUDITS	7
V	ENSURE TRANSPARENCY OF FINANCIAL DATA & PERFORMANCE	8
VI	MAINTAIN KNOWLEDGE ON EMERGING NON-PROFIT ISSUES	8
<b>B</b>	<b>THE ORTHODOX CHURCH IN AMERICA ETHICS POLICY</b>	<b>8</b>
I	PREAMBLE	8
II	PERSONAL AND PROFESSIONAL INTEGRITY	8
III	GOVERNANCE	9
IV	LEGAL AND REGULATORY COMPLIANCE	9
V	RESPONSIBLE STEWARDSHIP	9
VI	OPENNESS, COMPLETENESS AND DISCLOSURE	10
VII	FUNDRAISING	10
VIII	REPORTING VIOLATIONS	10
IX	CONFIDENTIALITY	11
X	METROPOLITAN COUNCIL ETHICS COMMITTEE	11
XI	HANDLING OF REPORTED VIOLATIONS	11
XII	VIOLATIONS	11
XIII	EXCEPTIONS AND AMENDMENTS	12
<b>C</b>	<b>ANNUAL ETHICS STATEMENT</b>	<b>13</b>
<b>D</b>	<b>ORTHODOX CHURCH IN AMERICA CONFLICT OF INTEREST POLICY</b>	<b>14</b>
I	PREAMBLE	14
II	DEFINITION	14
III	DISCLOSURE	14
IV	VIOLATIONS	15
V	EXCEPTIONS AND AMENDMENTS	15
<b>E</b>	<b>ANNUAL CONFLICT OF INTEREST STATEMENT</b>	<b>16</b>
<b>F</b>	<b>ORTHODOX CHURCH IN AMERICA WHISTLEBLOWER POLICY</b>	<b>17</b>
I	PREAMBLE	17
II	REPORTING RESPONSIBILITY	17
III	NO RETALIATION	17
IV	REPORTING VIOLATIONS	17
V	CONFIDENTIALITY	18
VI	HANDLING OF REPORTED VIOLATIONS	18
<b>G</b>	<b>ANNUAL WHISTLEBLOWERS STATEMENT</b>	<b>19</b>
<b>H</b>	<b>ORTHODOX CHURCH IN AMERICA INTERNAL AUDIT COMMITTEE OF THE METROPOLITAN COUNCIL PRINCIPLES AND STANDARDS</b>	<b>20</b>
I	SCOPE OF RESPONSIBILITIES	20
II	MEMBERSHIP	20

III	ANNUAL INDEPENDENT AUDIT	20
IV	INTERNAL CONTROLS AND COMPLIANCE	20
V	SELF-ASSESSMENT	20
<b>I</b>	<b>ORTHODOX CHURCH IN AMERICA DONOR BILL OF RIGHTS</b>	<b>21</b>
<b>J</b>	<b>ORTHODOX CHURCH IN AMERICA DOCUMENT RETENTION POLICY</b>	<b>21</b>

## **A BEST PRACTICE PRINCIPLES FOR FINANCIAL ACCOUNTABILITY**

The Orthodox Church in America complies with applicable laws and regulations, including the Charter of the Orthodox Church in America and the Statutes of the Orthodox Church in America. As a non-profit organization, the Orthodox Church in America recognizes its responsibility to the recipients of its services, as well as to donors and regulatory agencies. The reputation of the Orthodox Church in America for responsibility, accountability, ethics and fair-dealing is of the highest importance. Should our reputation be compromised, substantial damage can be expected to the potential fulfillment of our mission. For this reason, utmost care and discipline must be exercised in the establishment of and adherence to the Church policies and procedures for financial accountability.

As the Body of Christ, the Church must be truthful, as Christ is the Truth (John 14:6). We must be trustworthy for “it is required of stewards that they be found trustworthy.” (1 Cor 4:1-2) All must be open, as Jesus said: “There is nothing hid, except to be made manifest; nor is anything secret, except to come to light.” (Mark 4:22) We must be willing to be measured, as the Lord desired to measure Israel “Behold, I am setting a plumb line in the midst of my people Israel.” (Amos 7:8).

The Orthodox Church in America has adopted these best practice principles for financial accountability:

- Establish clear and decisive financial governance
- Adopt ethics and conflict of interest policies
- Design and implement appropriate financial controls
- Conduct annual independent audits of our financial statements
- Ensure transparency of financial data and performance
- Develop and maintain knowledge of emerging non-profit issues

### **I ESTABLISH CLEAR AND DECISIVE FINANCIAL GOVERNANCE**

The Metropolitan Council of the Orthodox Church in America is entrusted with responsibility for the proper and effective use of all assets for the administration and operation of the Church. The Statutes of the Orthodox Church in America give executive authority to the Council in Article V, Section 1. Further, the Statutes instruct the Auditing Committee, elected by the All American Council, to review the accounts of the Treasurer and the funds of all Church-related institutions on a quarterly basis and to report on their audit to the Council on a quarterly basis.

The financial responsibility of the Council is also evident in Article V, Section 4 which lists several key competencies: “establishes the budget for the operations of the Church and examines all financial reports of the Church; supervises the collection of the assessments and fees established by the All-American Council and determines the allocation of such funds; organizes plans for obtaining voluntary contributions for the satisfaction of the needs of the Church; provides for the maintenance of the central administrative bodies of the Church and for the allocation of the general Church funds; decides on the purchase, sale, or mortgaging of property of the Church, except in cases covered in Article X, Section 8; maintains an inventory of all properties of the Church, etc.”

The Metropolitan Council is representative of the whole Church, with its chair being the Metropolitan, who also chairs the meetings of the Holy Synod of Bishops, two representatives from each diocese (one priest and one layman elected by the Diocesan Assemblies), three priests and three laymen elected by the All-American Council, as well as the Chancellor, the Secretary, and the Treasurer.

The Council's responsibilities include:

- ensuring that there are proper policies in place for ethics, conflict of interest, prevention and disclosure of fraud, records retention, and whistleblower protection;
- reviewing all financial statements and ensuring that they are clear, understandable and communicate proper information for adequate stewardship (e.g., segregated and reconciled by fund);
- reviewing budget comparisons and expense analyses;
- ensuring that those chief officers responsible for the preparation of the financial statements (e.g., Treasurer, Comptroller) certify the annual balance sheet, income statements and cash flow analysis for all Church funds (including endowments and charitable trusts) and fund flows;
- reviewing procedures for internal financial controls to ensure that they safeguard and protect the Church's assets; and
- reviewing compliance with all applicable laws and regulations and compliance with internal policies and procedures;

## II ADOPT ETHICS AND CONFLICT OF INTEREST POLICIES

The Metropolitan Council should ensure that policies are developed, adopted, and implemented regarding a code of ethics and conflict of interest. These are essential for internal guidance to officers, employees and staff, paid and unpaid, as well as external reassurance to donors and recipients of the Church's services.

The Ethics Policy includes expectations for personal and professional integrity, governance, legal and regulatory compliance, responsible stewardship of funds (including endowments in accordance with donor's requests, charitable trusts, etc.) and other assets, openness and disclosure, and program effectiveness evaluation. The policy emphasizes that no one in the organization, no matter at what level, has authority to dispense with any of these policy requirements.

The Conflict of Interest Policy assists in ensuring that there will be neither opportunity nor implication that funds or assets of the Church are being used for personal gain and not for the exclusive purposes and mission of the Church. The Policy provides a definition of conflict of interest, specifies the positions that will be covered under the Policy (e.g., Metropolitan Council members, officers and employees of the Central Administration), requires disclosures of potential/ existing conflicts and procedures to be followed in such cases.

### III DESIGN AND IMPLEMENT APPROPRIATE FINANCIAL CONTROLS

The details of the practices, procedures and protocols that constitute effective accounting controls are beyond the scope of this statement of principles. However, the fundamental principles that underlay those controls are:

- accounting should be in conformity with Generally Accepted Accounting Principles (GAAP) for Not-for-Profit Organizations;
- internal controls should be documented in a procedures manual, including handling of incoming money or other assets and deposits thereof to the appropriate unrestricted / restricted / endowment / reserve fund, investment of assets, approval of all disbursements including petty cash and payroll, monitoring of expense accounts, etc., with adequate segregation of duties and corresponding checks and balances;
- funds must not be commingled, donor restrictions must be honored, and the use of funds must be documented with the appropriate level of approval;
- a regular training program for relevant personnel should be available for both basic and refresher education on accounting and internal controls;
- a document retention and periodic destruction policy should be instituted;
- special attention should be paid to ensuring that “excess benefit transactions” do not take place and, if they do, to report these properly, per IRS regulations; and
- related party transactions must be properly documented and approved in advance by the appropriate level of authority.

### IV CONDUCT REGULAR INDEPENDENT FINANCIAL AUDITS

The Church’s annual financial statements shall be audited by an independent external certified public accountant or accounting firm experienced in such audits. The Council shall meet at least annually with the external auditor to discuss the audited annual financial statements and any deficiencies in internal controls identified by the external auditor during the course of its audit.

The experience and capabilities of an external, independent certified public accountant or accounting firm in conjunction with an annual external financial audit is highly desirable to ensure proper financial accountability and governance.

In addition, an Internal Audit Committee shall be established from among the members of the Metropolitan Council who are “independent” – meaning not being part of the management team of the Central Administration and not receiving any direct or indirect compensation from the Central Administration of the Church. This Internal Audit Committee of the Metropolitan Council shall meet separately with the external auditor to discuss the annual financial statements of the Church and any deficiencies in internal controls identified by the external auditor during the course of its audit.

The Internal Audit Committee of the Metropolitan Council shall recommend the selection and hiring of the external auditor to the Metropolitan Council.

The external auditor should not, in general, provide non-auditing services to the Church. Consideration should be given to rotating the independent auditor, or its lead partner, every five years.

## V ENSURE TRANSPARENCY OF FINANCIAL DATA & PERFORMANCE

The following information shall be published on the Church website:

- Statement of Ethics and Conflict of Interest Policy
- Audited financial statements
- Minutes of the Metropolitan Council meetings

## VI MAINTAIN KNOWLEDGE ON EMERGING NON-PROFIT ISSUES

There is a significant amount of information available on Financial Accountability and Governance of Non-Profits. It is recommended that both the members of the Metropolitan Council and the principal officers / employees of the Church Central Administration be kept advised of both current knowledge and emerging issues.

# B THE ORTHODOX CHURCH IN AMERICA ETHICS POLICY

## I PREAMBLE

As a matter of fundamental principle, any nonprofit and philanthropic institution should adhere to the highest ethical standards because it is the right thing to do. As a matter of pragmatic self-interest, the institution should do so because constituency trust in its performance is the bedrock of its legitimacy as an institution. Donors and volunteers support these institutions because they trust them to carry out their missions, to be good stewards of their resources, and to uphold rigorous standards of conduct.

Nonprofit and philanthropic institutions must earn this trust every day and in every possible way. But institutions are composed of people, and it is up to the people – governing board members, management, staff, and volunteers -- to demonstrate their ongoing commitment to core values of integrity, honesty, openness, and responsibility.

Adherence to applicable laws and regulations, including the Charter of the Orthodox Church in America and the Statute of The Orthodox Church in America, is the minimum standard of expected behavior. The Orthodox Church in America ("OCA") administration must do more, however, than simply obey the law. It must ensure that what is done is consistent with the Church's expectations. Transparency, openness and responsiveness to the Church's concerns must be integral to its behavior.

## II PERSONAL AND PROFESSIONAL INTEGRITY

The Holy Synod, all Metropolitan Council ("Council") members, administrative management, staff (paid and unpaid), auditors elected by the All American Council,

(hereinafter referred to as “ the Governance Body” of the OCA) shall act with honesty, integrity and openness in all their dealings as representatives of the OCA. Each member of the Governance Body is expected to comply with all applicable provisions of this Ethics Policy.

### III GOVERNANCE

The administrative management and staff will:

- provide the Council with accurate, timely, comprehensive and sufficiently detailed information so that the Council in its judgment can effectively carry out its responsibilities, to include budget proposals, income and expense reports, program evaluations, as well as a stewardship comparison of actual results versus plans and budget;
- ensure that all financial transactions without exception are properly documented with documents retained in accordance with the Document Retention Policy;
- ensure that operating policies and procedures (including approval of expenditures and disbursements) are in writing, clearly articulated and officially adopted;
- ensure that full and complete cooperation is given to internal and external auditors; and
- ensure that violations of this Ethics Policy are brought to the attention of management and/or the Ethics Committee of the Metropolitan Council.

### IV LEGAL AND REGULATORY COMPLIANCE

The administrative management and staff are to be knowledgeable of and comply with all applicable laws and regulations. Any violations are to be immediately brought to the attention of management, reported to the Internal Audit Committee of the Metropolitan Council and appropriately recorded in the Annual Representation Letter to the Council. The content of the Annual Representation Letter shall be determined by the Internal Audit Committee but it would be expected at minimum to contain certification of the annual financial statements, a statement on compliance with the various policies, and a statement on any suspected fraud, security or litigation issues.

### V RESPONSIBLE STEWARDSHIP

The administrative organization and departments are to manage their funds responsibly and prudently. This should include the following considerations:

- The administration budgets and expends funds to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to proper management
- The administration prudently draws from endowment funds consistent with donor intent and in accordance with the budget and finance plans as approved by the Council

- The administration ensures that special collection funds are sequestered for disbursement in accordance with donor intent
- The administration ensures that all spending practices and policies (for both the central administration and the various OCA departments) are documented and consistent with the officially adopted budget of the OCA
- The administration ensures that proper procedures are in place and documented for financial and operational controls, e.g., opening of bank accounts, transfer of funds, engagement of legal and tax advice, signature authority, etc.
- The administration ensures that all financial reports are sufficiently detailed, factually accurate and complete in all material respects
- The administration regularly reviews the effectiveness of the various programs of the OCA and reports the results of those reviews together with recommendations to the Council.

## VI OPENNESS, COMPLETENESS AND DISCLOSURE

The administration provides accurate, comprehensive and timely information to the OCA constituency. Basic operations and financial data, including but not limited to membership figures, department activities, results of special campaign collections and disbursements, approved budgets, program reviews, revenue/ expense stewardship versus budget, and audited financial statements, will be posted on the OCA's website.

All financial, organizational, and program reports will be complete and accurate in all material respects.

All assets of the OCA, including but not limited to that resulting from any and all donations, charitable trusts, and bequests, shall be appropriately documented and reported on the OCA balance sheet, i.e., no "off-the-balance-sheet" accounts are allowed. In particular, no person or entity within the OCA structure will use the OCA Federal Exempt Status and/or Employee Identification Number (EIN) without written approval of the Treasurer. No account established using OCA Status or EIN will be "kept off" the OCA balance sheet. All activity in all accounts that utilize the above MUST be included in the OCA financial statements.

## VII FUNDRAISING

The administration is truthful in their solicitation/ special collection materials. The administration respects the privacy concerns of individual donors and expends funds consistent with donor intent. The administration discloses important and relevant information to potential donors. The donors shall be assured their gifts will be used for the purposes for which they were given and that information about their donations is handled with respect and with confidentiality to the extent provided by law.

## VIII REPORTING VIOLATIONS

Employees should share their questions, concerns, suggestions or complaints with someone in management who can address them properly. In most cases, an employee's

supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with his/her supervisor or is not satisfied with the supervisor's response, the employee shall speak with anyone in management whom he/she is comfortable in approaching.

Supervisors and managers are required to report suspected violations of the Ethics Policy to the Chair of the Metropolitan Council Ethics Committee, who has specific responsibility to investigate all reported violations. For suspected fraud, or when a person is not satisfied or uncomfortable with following the above process, individuals should contact the Chair of the Metropolitan Council Ethics Committee directly. Should the Chair of the Metropolitan Council Ethics committee be the individual suspected of violation, his place in this policy shall be assumed by the chair of the Metropolitan Council.

The Internal Audit Committee of the Metropolitan Council shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing.

#### IX CONFIDENTIALITY

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

#### X METROPOLITAN COUNCIL ETHICS COMMITTEE

Metropolitan Council Ethics Committee is responsible for investigating and making recommendations for resolving all reported complaints and allegations concerning violations of the Ethics Policy and shall advise the Chair of the Metropolitan Council and work with the Metropolitan Council until the matter is resolved. The Chair of the Metropolitan Council Ethics Committee is required to report to the Metropolitan Council at least semi-annually on activities.

#### XI HANDLING OF REPORTED VIOLATIONS

The Chair of the Metropolitan Council Ethics Committee will notify the complainant and acknowledge receipt of the reported violation or suspected violation within ten business days. All reports will be promptly investigated and appropriate corrective action will be taken, if warranted by the investigation.

#### XII VIOLATIONS

If the Council has reasonable cause to believe a person subject to this Ethics Policy has violated one or more provisions, it shall inform that person of the basis for such belief and afford that person an opportunity to respond to the allegation. If, after hearing that person's response and after making further investigation as warranted by the circumstances, the Council determines that person has in fact violated this Ethics Policy, it shall take appropriate disciplinary and corrective action.

#### XIII EXCEPTIONS AND AMENDMENTS

No individual in the Governance Group has authority to dispense with or grant any exception regarding any of these policy requirements. Any requested exception is required to be brought to the entire Council for endorsement by a two-thirds majority.

This Policy shall be reviewed by the Council at least every three years. Any amendment to the Policy requires endorsement by a two-thirds majority of the Council.



## Annual Ethics Statement

I, \_\_\_\_\_, a duly elected or appointed  
\_\_\_\_\_  
(Title, e.g. Holy Synod member,  
Council member, administrative management or staff member, or committee member) of  
the Orthodox Church in America (the "OCA"), do hereby certify as follows:

1. I have received a copy of the Ethics Policy of the OCA (the "Policy").
2. I have read and understand the Policy.
3. I have agreed to comply with the Policy and will immediately inform the  
Chair of the Metropolitan Council Ethics Committee in the event of any  
non-compliance with Policy.
4. I understand the OCA is a charitable not-for-profit organization and in  
order to maintain its Federal tax exemption it must engage primarily in  
activities which will accomplish one or more of its tax-exempt purposes.

IN WITNESS WHEREOF, I have executed this Annual Ethics Statement this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_

Name

\_\_\_\_\_

Title

## **D ORTHODOX CHURCH IN AMERICA CONFLICT OF INTEREST POLICY**

### **I PREAMBLE**

The purpose of the Conflict of Interest Policy is to protect the OCA's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Holy Synod, Metropolitan Council ("Council"), a member of a committee with powers delegated by the Council or the administrative management (hereinafter called "interested persons") or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

The Council shall determine and publish a list of members of committees and administrative management who fall under the above description. This list shall be updated from time to time as necessary.

### **II DEFINITION**

An interested person shall have a conflict of interest if:

- The interested person has existing or potential financial or other interest (including compensation in the form of gifts or favors which are not unsubstantial) that impairs or might reasonably appear to impair that person's independent, unbiased judgment in the discharge of his or her responsibilities to the OCA; or

- The interested person is aware that a member of his or her family (which, for the purposes of this Policy, shall be a spouse, parents, siblings, children, or any other relative if the latter resides in the same household as the interested person), or any organization in which the person (or member of his or her family) is an officer, director, employee, contractor, member, partner, interested person, or controlling stockholder, has existing or potential financial or other interest.

### **III DISCLOSURE**

All interested persons shall disclose to the Ethics Committee any possible conflict of interest at the earliest practical time. An interested person who is a member of the Council shall neither participate in discussion of nor vote at a Council meeting on any matter under consideration in which the interested person has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the interested person having a conflict of interest abstained from participation and voting. In the case of an interested person who is a member of management, that person shall abstain from consideration, discussion, endorsement or approval of any matter in which the interested person has a conflict of interest. The documentation of the matter under consideration shall record that the interested person abstained from participation.

Any interested person who is uncertain whether a conflict of interest may exist in any matter may request that the Ethics Committee evaluate the incident. The Metropolitan Council shall resolve the question by majority vote.

#### IV VIOLATIONS

If the Council has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform that person of the basis for such belief and afford that person an opportunity to explain the alleged failure to disclose. If, after hearing that person's response and after making further investigation as warranted by the circumstances, the Council determines that person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action

#### XIV EXCEPTIONS AND AMENDMENTS

No individual in the Governance Group has authority to dispense with or grant any exception regarding any of these policy requirements. Any requested exception is required to be brought to the entire Council for endorsement by a two-thirds majority.

This Policy shall be reviewed by the Council at least every three years. Any amendment to the Policy requires endorsement by a two-thirds majority of the Council.



## Annual Conflict of Interest Statement

I, \_\_\_\_\_, a duly elected or appointed  
\_\_\_\_\_  
(Title, e.g. Holy Synod member,  
Council member, administrative management or staff member, or committee member) of  
the Orthodox Church in America (the "OCA"), do hereby certify as follows:

5. I have received a copy of the Conflict of Interest Policy of the OCA (the "Policy").
6. I have read and understand the Policy.
7. I have agreed to comply with the Policy and will immediately inform the Chair of the Metropolitan Council Ethics Committee in the event of any non-compliance with Policy.
8. I understand the OCA is a charitable not-for-profit organization and in order to maintain its Federal tax exemption it must engage primarily in activities which will accomplish one or more of its tax-exempt purposes.

IN WITNESS WHEREOF, I have executed this Annual Conflict of Interest Statement this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## **F ORTHODOX CHURCH IN AMERICA WHISTLEBLOWER POLICY**

### **I PREAMBLE**

The OCA Ethics Policy requires the Holy Synod, all Metropolitan Council ("Council") members, the Pension Board members, administrative management, staff (paid and unpaid), auditors elected by the All American Council, (hereinafter referred to as "the Governance Body" of the OCA) to observe the highest standards of honesty and integrity in the conduct of their duties and responsibilities as well as to comply with all applicable laws and regulations, the Charter of the Orthodox Church in America, and the Statutes of the Orthodox Church in America. This Whistleblower Policy is intended to protect those persons who report a violation of the Ethics Policy.

### **II REPORTING RESPONSIBILITY**

All persons listed above shall comply with the Ethics Policy and report violations or suspected violations in accordance with this Whistleblower Policy.

### **III NO RETALIATION**

No member of Governance Body who reports a violation of the Ethics Policy shall suffer harassment, retaliation or adverse employment consequences. A person who retaliates against someone who has reported a violation is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the OCA prior to seeking resolution outside the OCA.

No member of the Governance Body waives recourse to redress under civil law should recourse under this policy fail.

### **IV REPORTING VIOLATIONS**

1 Employees should share their questions, concerns, suggestions or complaints with someone in management who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with his/her supervisor or is not satisfied with the supervisor's response, the employee is encouraged to speak with the Chair of the Ethics Committee.

2 Supervisors and managers are required to report all suspected violations, of the Ethics Policy, whether personally encountered or those reported to them, to the Chair of the Ethics Committee of the Metropolitan Council, who has specific responsibility to investigate all reported violations. All members of the committee shall be elected by the Council annually,

3 For suspected financial violations, or when not satisfied or uncomfortable with following the above process, individuals shall contact the Chair of the Ethics Committee directly.

4 The Chair of the Ethics Committee is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Ethics Policy and shall advise the Chair of the Metropolitan Council.

5 The Internal Audit Committee of the Metropolitan Council shall address all reported concerns regarding corporate accounting practices, internal controls or auditing, in cooperation with the Chair of the Ethics Committee, until the matter is resolved.

6 The Chair of the Ethics Committee is required to notify the Metropolitan Council within thirty days of a report being made, and shall present a written summary of all reports made and actions taken at each meeting of the Metropolitan Council.

7 Contact Information for the Chair of the Ethics Committee shall be published and conspicuously posted.

## V CONFIDENTIALITY

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## VI HANDLING OF REPORTED VIOLATIONS

The Chair of the Metropolitan Council Ethics Committee will notify the complainant and acknowledge receipt of the reported violation or suspected violation within ten business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.



**Annual Whistleblowers Statement**

I, \_\_\_\_\_, a duly elected or appointed  
\_\_\_\_\_  
*(Title, e.g. Holy Synod member, Council member, administrative management or staff member, or committee member)* of the Orthodox Church in America (the "OCA"), do hereby certify as follows:

- 9. I have received a copy of the Whistleblowers Policy of the OCA (the "Policy").
- 10. I have read and understand the Policy.
- 11. I have agreed to comply with the Policy and will immediately inform the Chair of the Metropolitan Council Ethics Committee in the event of any non-compliance with Policy.
- 12. I understand the OCA is a charitable not-for-profit organization and in order to maintain its Federal tax exemption it must engage primarily in activities which will accomplish one or more of its tax-exempt purposes.

IN WITNESS WHEREOF, I have executed this Annual Whistleblowers Statement this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## **H      ORTHODOX CHURCH IN AMERICA INTERNAL AUDIT COMMITTEE OF THE METROPOLITAN COUNCIL PRINCIPLES AND STANDARDS**

### **I      SCOPE OF RESPONSIBILITIES**

The Internal Audit Committee of the Metropolitan Council shall be responsible for ensuring that the audit of the annual financial statements of the OCA central administration is conducted by an external independent certified public accountant or accounting firm experienced in such audits. The Audit Committee shall provide the Metropolitan Council with independent insight into the internal controls, operations, accounting policies, and financial reporting of the OCA.

### **II     MEMBERSHIP**

The Chair of the Internal Audit Committee shall be established from among the elected members of the Metropolitan Council, but excluding those who have any conflict of interest in the sense of the OCA Conflict of Interest Policy. This excludes any Metropolitan Council members who are part of the central administration. The Internal Audit Committee shall have access to financial expertise. The Internal Audit Committee has authority to call upon outside advisors to provide financial and other expertise as deemed appropriate.

### **III    ANNUAL INDEPENDENT AUDIT**

The Internal Audit Committee shall recommend the selection of the external independent auditor to the Metropolitan Council and secure its endorsement of the hiring of the external auditor. The Internal Audit Committee shall review the audited annual financial statements and the audit report of the external auditor, meet with the external auditor to discuss those financial statements and the audit report as well as any deficiencies in the Church's internal controls identified by the external auditor during its audit, and present an annual Internal Audit Committee report to the Metropolitan Council.

### **IV    INTERNAL CONTROLS AND COMPLIANCE**

The Internal Audit Committee will also review internal OCA conflict of interest, ethics and confidential complaint receipt / resolution (whistleblower) policies, internal delegation of authority manual, compensation of senior level administration, compliance with internal policies / regulations as well as with governmental laws / regulations, and will recommend changes to the Metropolitan Council as necessary. In fulfilling its responsibilities, the Internal Audit Committee has direct access to any and all administrative or staff personnel. The Internal Audit Committee may recommend to the Metropolitan Council the granting of authority to it for conduct of investigations deemed necessary to fulfill its responsibilities.

### **V      SELF-ASSESSMENT**

The Internal Audit Committee shall review its own performance and the adequacy of these Principles and Standards at least annually and report to the Metropolitan Council the results and recommendations arising from that review.

## **I ORTHODOX CHURCH IN AMERICA DONOR BILL OF RIGHTS**

Financial stewardship is a response to the biblical imperatives of both the Old and the New Testaments. The voluntary financial offerings of the faithful support the mission of the Church and the propagation of the Gospel. To ensure that financial stewardship merits the respect and trust of the faithful, and that donors and prospective donors can have full confidence in the administration of the Church and the work they are asked to support, we declare that all donors may reasonably expect:

- To be informed of the Church's mission, of the way the Church intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the Holy Synod of Bishops, the Metropolitan Council, and the Administration of the Church, and to expect those responsible to exercise prudent judgment in its stewardship responsibilities.
- To be provided with a copy upon request of the Church's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgement and recognition.
- To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing the Church to the donor will be professional and in keeping with the spiritual nature of the Church..
- To be informed about those individuals who are seeking donations and their relationship to the Administration of the Orthodox Church in America.
- To have the assurance that mailing lists will not be shared with any organization outside of normal Church-related organizations.
- To have the right to ask pertinent questions when making a donation and to receive prompt, truthful and forthright answers.

Reference: Association of Fundraising Professionals, [www.afpnet.org](http://www.afpnet.org)

## **J ORTHODOX CHURCH IN AMERICA DOCUMENT RETENTION POLICY**

This Document Retention Policy provides minimum guidelines for mandatory document retention and is intended to reduce or eliminate the possibility of accidental destruction of documents. This policy assumes that full, complete, and comprehensive independent audits take place on an annual basis. Further, it is assumed that a more detailed definition of "important" will be developed in consultation with the independent auditors, approved by the Metropolitan Council, reviewed annually with independent auditors, revised as necessary, and placed as an Addendum to this Policy. Other documents may

be added to this list as deemed appropriate by the Metropolitan Council Audit Committee.

A copy of this policy shall be made available on an annual basis to each employee of the Church administration and its departments, as well as to new employees upon hiring.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years from expiration
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years from expiration
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	Permanently
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Withholding tax statements	7 years
Workers' Compensation records	Permanently

Reference: National Council of Nonprofit Associations, [www.ncna.org](http://www.ncna.org)